

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
OCTOBER 19, 2009**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, October 19, 2009.

The meeting was called to order by Chairman Alex Emmons.

TEMPORARY APPOINTMENT (B-5)

Due to the absence of Secretary Rick Stradtner, Alex Emmons stated that an Acting Secretary needs to be appointed. Mike Harder made a motion to appoint Wayne Schuetter as Acting Secretary for this meeting. Greg Krodel seconded the motion. Motion approved, 6-0.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Alex Emmons – Chairman
Wayne Schuetter – Vice Chairman
Doug Schulte – Water Commissioner
Mike Harder – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Rick Stradtner - Secretary

PLEDGE OF ALLEGIANCE (B-31)

Chairman Alex Emmons led the Pledge of Allegiance.

QUOTE OPENING: LOADER BACKHOE – WASTEWATER (B-37)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

1.	Hopf Equipment Huntingburg, IN	\$79,325.00 <u>- 61,475.00</u> \$ 17,850.00	trade-in
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The quote included a non-collusion affidavit.

2.	Whayne Supply Evansville, IN	\$81,696.85 <u>-45,000.00</u> \$36,696.85	trade-in
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	Alternate Quote	\$76,132.90 <u>-45,000.00</u> \$31,132.90	trade-in
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Both quotes included a non-collusion affidavit.

3.	K & W Equipment Company Evansville, IN	\$73,575.00 <u>- 58,000.00</u> \$15,575.00	trade-in
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	Alternate Quote	\$77,325.00 <u>- 58,000.00</u> \$19,325.00	trade-in
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Both quotes included a non-collusion affidavit.

Ed Hollinden asked for permission to take the quotes under advisement. Wayne Schuetter made a motion to take the loader backhoe quotes under advisement. Mike Harder seconded the motion. Motion approved, 6-0.

APPROVAL OF MINUTES (B-132)

Chairman Alex Emmons presented the minutes of the September 21, 2009, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Ken Sendelweck made a motion to approve the minutes of the September meeting as presented. Doug Schulte seconded the motion. Motion approved, 6-0.

NET METERING POLICY (B-147)

Jerry Schitter said net metering is when a customer that is tied into your system is generating some of their own electricity. Currently, all of Jasper's power is purchased from IMPA. IMPA has allowed the City the opportunity to enter into a net metering agreement with our customers that are generating their own renewable energy, such as solar, wind, biomass, geothermal, or hydroelectric. Schitter said the program is very limited. The maximum allowed into Jasper's system is 80 KW.

Sandy Hemmerlein passed out Resolution #USB 2009-8, which would recommend the net metering policy to the Common Council. An Ordinance is required for this policy. Also attached were copies of the Rules, Rates and Charges, the Interconnection Agreement for Net

Metering Facilities and the Application for Interconnection of Net Metering Facilities. The applications would be reviewed by Jerry Schitter and Bud Hauersperger. If the application was approved, the customer would be required to sign the Interconnection Agreement.

Hemmerlein then went on to explain how the billing is done. If the customer produces more electricity than is delivered to them by the utility, the customer will be credited for the difference on their next monthly bill. The customer does not receive any money back and no checks are cut to the customer. If the customer continues to carry a credit balance and closes their account with a credit balance, the credit reverts back to the Utility. No refund will be issued to the customer.

Schitter also added that all equipment or special metering needed by the customer will be done at the customer's expense. The Utility will not be out any expense.

Ken Sendelweck made a motion to approve Resolution #USB 2009-8 and recommend the Net Metering Program to the Common Council. Wayne Schuetter seconded the motion. Motion approved, 6-0.

ELECTRIC PLANNING COMMITTEE REPORT (B-315)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee had met on October 5th, 12th, and 15th.

On October 5th the Committee met with several representatives, including Pete Grills, the consultant with Bingham McHale's project team. He talked about the potential opportunities the Power Plant holds and about the \$5 million grant the City applied for last month. Grills talked about how the analysis on the Power Plant would be broken down into two phases. The current state of the plant would be analyzed, as well as the market value.

A representative from Black and Veatch was also present at the October 5th meeting. They are a very large international engineering firm specializing in energy. The representative that the Committee spoke to is in the group that works mainly with small power plants. He talked about co-firing with biomass or doing changeovers to run strictly biomass. He also spoke about environmental assessments and the special air permitting that could be required.

Sendelweck said that all of this research is a form of due diligence that the Committee feels very strongly about. It will be the foundation of whatever decision the Board will make in the coming months. All the facts are needed in order to make a decision, hence the need for help from outside professionals to compile all of the information.

The Committee asked Black and Veatch for a detailed proposal for a Phase 1 and 2 Study after the October 5th meeting. After working back and forth with Black and Veatch for an acceptable proposal, one was brought back which said they could get the study done in 6 to 8 weeks. This was very important to the Committee. A firm proposal was issued for just under \$130,000 and all of the Board members should have copies of this. The Committee feels this study will obtain the necessary facts needed to help make an informed decision on the future of the Power Plant.

Sandy Hemmerlein said she is currently working with Black and Veatch on the contract. They still have one issue to resolve. If the contract price is approved tonight, it will need to be subject to final contract language.

Chairman Alex Emmons wanted to reiterate that the Committee is not taking this issue lightly and is trying to acquire enough knowledge to make an informed decision.

Ken Sendelweck made a motion to approve the proposal from Black and Veatch for \$129,671, subject to final contract language. Wayne Schuetter seconded the motion. Ken Sendelweck also mentioned that the City will have the ability to terminate the study at any point, should a “show stopper” appear at some point along the way. The Mayor commented that he feels the Committee is moving in the right direction and that they need to get some answers. Motion approved, 6-0.

EASTOWN PAVING COST (B-506)

Mike Oeding said he checked with J H Rudolph and they will hold to their original quote of \$15,039 for the paving work that needs done at the Eastown Gas Regulator Station. The paving should be completed by winter.

SLUDGE DISPOSAL (B-512)

Oeding explained that currently the Water Utility has a permit to dispose of their sludge at the old landfill. This permit expires on February 28, 2010. Since the landfill has closed, an exception letter was obtained to dispose of the sludge at the Mike Hochgesang site. This exception letter expires on December 31, 2010.

The Water Department is currently getting rid of the sludge and has noticed that the Hochgesang site is near the end of its useful life. Oeding is not sure if IDEM will allow the Water Department to re-permit the old landfill since it is closed. So the Water Department needs to start checking out other options.

The last time this topic was looked at with Commonwealth Engineers, it was mentioned that possibly the sludge could be land applied much like the Wastewater Department’s sludge is applied. Oeding has contacted Commonwealth again to look into this matter. Oeding has also heard that they could possibly mix the Water and Wastewater’s sludge together and land apply it without having to obtain a permit.

There is still a lot of work to be done researching these options and Oeding will keep the Board updated along the way.

APPROVAL TO REQUEST QUOTES FOR CHEMICALS FOR 2010 (B-552)

Oeding said he would like permission to send out letters to request quotes for chemicals for 2010. The quotes would then be opened at the November meeting and awarded at the December meeting so the chemicals can be purchased starting in January.

Greg Krodel made a motion to allow Mike Oeding to request quotes for chemicals for 2010. Wayne Schuetter seconded the motion. Motion approved, 6-0.

CORRPRO ANNUAL SERVICE AGREEMENT (B-567)

Oeding explained that Corrpro is the company that does the cathodic protection for the three water towers. They inspect the tanks once a year and repair them if needed. The contract price is \$600 per tank for 2010. They also replace the aviation bulbs for \$250 per tank. Only two tanks have aviation bulbs.

Doug Schulte made a motion to approve the Corrpro Annual Service Agreement for 2010. Ken Sendelweck seconded the motion. Motion approved, 6-0.

GAS PLANNING COMMITTEE REPORT (B-594)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (B-595)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

TERRACE AVENUE PROJECT UPDATE (B-597)

Ed Hollinden stated he met with the customers who live on Terrace Avenue on Monday, October 12th for an informational meeting. Out of 22 customers, 15 were present. The meeting went very well. The customers were to schedule their lateral inspections by Friday, and they have all been scheduled. The Wastewater Department has already inspected 15 out of 22 homes. All of the customers are being very cooperative. Two of those homes would have passed the inspection if they were selling their home. The other 13 failed.

The Mayor commented that Hollinden did a great job presenting the information at the meeting with the customers and that the meeting went very well.

WASTEWATER PLANNING COMMITTEE REPORT (B-639)

Mike Harder, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

BUSINESS OFFICE SOFTWARE UPDATE (B-641)

Bud Hauersperger said the Business Office will be replacing their billing and customer service software as well as the financial accounting software. It is two different software packages.

Originally the Business Office was negotiating with one company and they ended up changing their implementation schedule at the last minute from the end of this year to 12 to 18 months from now.

Since then Hauersperger has started negotiations with another company who offers similar software. They had an implementation schedule that was more suitable. The billing software is

expected to be implemented around April 2010. The cost is also lower than the original company; this company has a presence in Indiana, and has good references.

The installation and training costs total \$103,551. The annual support fees will total \$18,583. This includes a student center fee of \$1,500 for on-line training, webinars, etc. The student center will be done on a trial basis for one year to see how beneficial it is.

The hardware is not included in this price. A new server will need to be obtained to run the new software. Hauersperger will come back later with a price for the server.

Mike Harder made a motion to approve the contract with Tyler Technologies for new Business Office software, subject to agreeable contract terms. Ken Sendelweck seconded the motion. Wayne Schuetter questioned the security of on-line bill pay. Sandy Hemmerlein said this will be required in the contract language and is also part of our Identity Theft Prevention Program. Motion approved, 6-0.

IDENTITY THEFT PREVENTION PROGRAM REPORT (A-63)

Hauersperger stated that last year the Federal Government mandated Red Flag Rules which are associated with identity theft. The Utility Office is required to have an Identity Theft Prevention Program in place by November 1, 2009. This was already done last year to meet the original deadline. One of the requirements of the program is to give an annual update on the past year's activity. Hauersperger provided the Board with a copy of the "Yearly Report on Identity Theft Prevention Program" prepared by Office Manager Ashley Kiefer and dated October 19, 2009. A copy of said report is included with these minutes.

Sandy Hemmerlein stated after attending a seminar in April on this topic, it was determined that we needed to add a section addressing the third party providers of the utility office that would come in contact with the utilities' covered accounts. Hemmerlein presented Resolution #USB 2009-9. The Program was amended through the Resolution to state that it would be addressed in any new contracts with third party providers that they have a program in place to prevent and mitigate identity theft.

For those providers whom the Utility Office already has contracts with, a letter will be drafted and the current provider will have to sign an acknowledgement that they have a program in place to prevent and mitigate identity theft.

Doug Schulte made a motion to approve Resolution #USB 2009-9, updating the Identity Theft Prevention Program. Mike Harder seconded the motion. Motion approved, 6-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A-182)

Wayne Schuetter reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Mike Harder made a motion to approve the claims as presented. Greg Krodel seconded the motion. Motion approved, 6-0.

MAYOR'S COMMENTS (A-200)

The Mayor wanted to make the comment that the Utility Service Board is being faced with some of the toughest issues that it has ever been faced with. The Mayor commended all who are involved and said after all the due diligence is done, he knows the best decision will be made for the rate payers of Jasper. He stated that he is impressed with how these issues are being handled.

There being no further business to come before the Board, the meeting was adjourned at 8:08 PM upon motion by Wayne Schuetter and second by Doug Schulte. Motion approved, 6-0.

The minutes were hereby approved _____ with _____ without corrections this _____ day of _____, 2009.

Attest: _____
Secretary Chairman